

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6888

BILL NUMBER: HB 1416

NOTE PREPARED: Dec 22, 2014

BILL AMENDED:

SUBJECT: Magistrates.

FIRST AUTHOR: Rep. Speedy

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

STATE IMPACT	FY 2015	FY 2016	FY 2017
State Revenues			
State Expenditures		316,720	632,540
Net Increase (Decrease)		(316,720)	(632,540)

Summary of Legislation: This bill has the following provisions:

- A. *Added Powers for Magistrates* – It allows a magistrate to: (1) approve and accept criminal plea agreements; (2) approve agreed settlements concerning civil matters; and (3) approve decrees of dissolution, settlement agreements, and any other agreements of the parties in domestic relations actions or paternity actions.
- B. *Four New Magistrates for Marion County Superior Courts* – It allows the judges of the Marion Superior Court to appoint four additional full-time magistrates after December 31, 2015.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Summary* – The following table summarizes the added costs to the state General Fund for these new magistrates. Costs may be more in the future if the salaries of judicial officers

increase.

Four New Magistrates for Marion County Superior Courts Effective January 1, 2016			
FY 2016	FY 2017	FY 2018	FY 2019
\$316,270	\$632,540	\$632,540	\$632,540

Additional Information-

Magistrate Salaries – The full salaries of circuit and superior court judges and magistrates are paid from the state General Fund and can be adjusted each year by one of two methods:

- The General Assembly could increase the amount specified in statute.
- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC 33-38-5-8.1, salaries of judicial officers can be adjusted by the amount that executive staff salaries in the same salary level are increased and the Chief Justice of the Indiana Supreme Court approves the increase.

State expenditures associated with these new court officers also depend on the costs of fringe benefits for state employees.

While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for the persons filling these new positions will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following table presents an estimate of the total compensation (base salary and fringe benefits) of magistrates for FY 2016.

Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1).

Salaries and Benefits for Magistrates (FY 2016)	
<u>Benefits</u>	<u>Magistrates</u>
Salary	\$106,996
Life Insurance	\$160
Indiana Judicial Conference	\$1,000
Social Security	\$8,185
Disability Insurance	\$1,872
Retirement (see note)	\$27,718
Health, Dental, and Vision (blended rate)	\$12,204
Total Cost Per Judicial Officer	<u>\$158,135</u>

Note About Retirement Expenditures – LSA uses the four-year average of normal costs between FY 2010 and FY 2013 of each active member of the Judges Retirement Fund less the member's contribution (roughly

6% of payroll) to calculate the annual retirement costs of magistrates. Normal cost is defined as the present value of benefits accruing for a particular plan year. From 2006 to 2013, normal costs for the plan increased by more than 96%. This is due, in part, to increases in retirement and disability benefits.

Explanation of State Revenues:

Explanation of Local Expenditures: *Marion County* – Marion County has 16 full-time commissioners who function in a similar fashion as magistrates. If the judges of the Marion Superior Courts are authorized to appoint four new magistrates and they eliminate four court commissioners, Marion County could save \$556,000. Each court commissioner receives an estimated \$139,000 in both salary and benefits.

Added Powers for Magistrates – Trial courts that can appoint magistrates would be able to dispose more cases without a judge's oversight. There are 24 counties with one or more magistrates.

Explanation of Local Revenues:

State Agencies Affected: Office of State Court Administration; Indiana Supreme Court; Indiana Judicial Center

Local Agencies Affected: Courts with magistrates

Information Sources: Office of State Court Administration; Indiana Supreme Court; Indiana Public Retirement System; State Budget Agency Operating Budget Instructions, FY 2016 - 2017; IC 33-33-71-5; Judge David Certo, Marion Superior Court.

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